



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

October 9, 1969

OCT 14 1969

State of New Mexico
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

116-34

Gentlemen:

The New Mexico Oil Conservation Commission Order No. PLC-34 granted Shell Oil Company permission to temporarily commingle Blinebry and Drinkard production with San Andres production on the Grimes lease, located in the SW/4, Section 28, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico, until all royalty interest owners could be notified. At this time an attempt has been made to notify all royalty **interest** owners of Shell's intentions to commingle this lease. With this **letter**, enclosed documents, and certified return cards from royalty interest owners we are seeking a permanent exception to Rule 303(a) and 309(a) of the Commission's Rules and Regulations.

As is indicated by the attached drawings, we propose to meter and sample the Blinebry and Drinkard production separately. We expect all zones to be sour priced with similar gravities, resulting in no change in revenue.

In compliance with Rule 303(b) and 309(b) you will find the following attachments enclosed:

1. Plat of lease
2. Schematic of proposed installation
3. Copy of approval from royalty interest owners

If you need any further information, please contact J. C. Vadala at our Midland office.

Yours very truly,

J. L. Mahaffey, Manager
Production Department-West
Midland Division

JCV:CW

Attachments

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 12, 1969

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Attention: Mr. J. L. Mahaffey

Re: Administrative Order PLC-34

Gentlemen:

Reference is made to your letter of October 9, 1969, with which you forwarded return receipts for notification of all royalty interests of Shell's intentions to commingle on your Grimes Lease located in the SW/4 of Section 28, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico. Administrative Order PLC-34, dated September 15, 1969, authorized Shell to commingle San Andres production from its Turner, Sanger, Grimes, and State "B" Leases and Drinkard and Blinebry production from its Grimes Lease, Hobbs Field, Lea County, New Mexico, for a period of 30 days with the commingling authority to expire October 15, 1969. This order has subsequently been temporarily extended.

Administrative Order PLC-34, dated September 15, 1969, is hereby made permanent.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

THE CONSERVATION COMMISSION

P. O. BOX 5888

SAN ANTONIO, TEXAS 78205